

1 Casey R. Fronk (Illinois #6296535) admitted *pro hac vice*
2 fronkc@sec.gov
3 Attorney for Plaintiff
4 Securities and Exchange Commission
5 Salt Lake Regional Office
6 351 South West Temple, Suite 6.100
7 Salt Lake City, Utah 84101
8 Telephone: (801) 524-5796
9 Facsimile: (801) 524-3558

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Case No.: 2:16-cv-01413-JAD-BNW

Plaintiff,

vs.

HEMP, INC. a Colorado Corporation;
BRUCE J. PERLOWIN, an individual;
BARRY K. EPLING, an individual; JED
M. PERLOWIN, an individual; FERRIS
HOLDING, INC., a private Nevada
Corporation; HOBBS EQUITIES INC.,
a private Nevada Corporation;
DIVERSIFIED INVESTMENTS LLC, a
private Nevada Limited Liability
Company; and QUANTUM ECONOMIC
PROTOCOLS LLC, a private Nevada
Limited Liability Company.

CONSENT OF DEFENDANT
JED M. PERLOWIN

Defendants.

1. Defendant JED M. PERLOWIN (“Defendant”) acknowledges having been served
with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction
over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as provided
herein in paragraph 12 and except as to personal and subject matter jurisdiction, which

1 Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form
2 attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other
3 things:

4 (a) permanently restrains and enjoins Defendant from violation of Sections 5
5 and 17 of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e,
6 77q(a)], Section 10(b) of the Securities Exchange Act of 1934
7 (“Exchange Act”) [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17
8 C.F.R. § 240.10b-5];
9
10 (b) permanently restrains and enjoins Defendant, pursuant to Section 20(g)(1)
11 of the Securities Act [15 U.S.C. § 77t(g)(1)] and Section 21(d)(6)(A) of
12 the Exchange Act [15 U.S.C. § 78u(d)(6)(A)], from participating in any
13 offering of penny stock; and
14
15 (c) orders Defendant to pay a civil penalty in the amount of \$150,000 under
16 Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
17 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], with \$35,000 of
18 that civil penalty due within 30 days of the Court’s entry of the Final
19 Judgment, and the remaining \$115,000 due within 364 days of the Court’s
20 entry of the Final Judgment; and orders Defendant to pay post-judgment
21 interest on any amounts of the civil penalty due after 30 days of the entry
22 of the Final Judgment.
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25 3. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment may
26 be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act
27 of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall
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1 be treated as a penalty paid to the government for all purposes, including all tax purposes. To
2 preserve the deterrent effect of the civil penalty, Defendant agrees that he shall not, after offset or
3 reduction of any award of compensatory damages in any Related Investor Action based on
4 Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he
5 further benefit by, offset or reduction of such compensatory damages award by the amount of
6 any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court
7 in any Related Investor Action grants such a Penalty Offset, Defendant agrees that he shall,
8 within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's
9 counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or
10 to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional
11 civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this
12 action. For purposes of this paragraph, a "Related Investor Action" means a private damages
13 action brought against Defendant by or on behalf of one or more investors based on substantially
14 the same facts as alleged in the Complaint in this action.

18 4. Defendant agrees that he shall not seek or accept, directly or indirectly,
19 reimbursement or indemnification from any source, including but not limited to payment made
20 pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays
21 pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof
22 are added to a distribution fund or otherwise used for the benefit of investors. Defendant further
23 agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any
24 federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final
25 Judgment, regardless of whether such penalty amounts or any part thereof are added to a
26 distribution fund or otherwise used for the benefit of investors.

1 5. Defendant waives the entry of findings of fact and conclusions of law pursuant to
2 Rule 52 of the Federal Rules of Civil Procedure.

3 6. Defendant waives the right, if any, to a jury trial and to appeal from the entry of
4 the Final Judgment.

5 7. Defendant enters into this Consent voluntarily and represents that no threats,
6 offers, promises, or inducements of any kind have been made by the Commission or any
7 member, officer, employee, agent, or representative of the Commission to induce Defendant to
8 enter into this Consent.

9 8. Defendant agrees that this Consent shall be incorporated into the Final Judgment
10 with the same force and effect as if fully set forth therein.

11 9. Defendant will not oppose the enforcement of the Final Judgment on the ground,
12 if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and
13 hereby waives any objection based thereon.

14 10. Defendant waives service of the Final Judgment and agrees that entry of the Final
15 Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant
16 of its terms and conditions. Defendant further agrees to provide counsel for the Commission,
17 within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit
18 or declaration stating that Defendant has received and read a copy of the Final Judgment.

19 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted
20 against Defendant in this civil proceeding. Defendant acknowledges that no promise or
21 representation has been made by the Commission or any member, officer, employee, agent, or
22 representative of the Commission with regard to any criminal liability that may have arisen or
23 may arise from the facts underlying this action or immunity from any such criminal liability.

1 Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding,
2 including the imposition of any remedy or civil penalty herein. Defendant further acknowledges
3 that the Court's entry of a permanent injunction may have collateral consequences under federal
4 or state law and the rules and regulations of self-regulatory organizations, licensing boards, and
5 other regulatory organizations. Such collateral consequences include, but are not limited to, a
6 statutory disqualification with respect to membership or participation in, or association with a
7 member of, a self-regulatory organization. This statutory disqualification has consequences that
8 are separate from any sanction imposed in an administrative proceeding. In addition, in any
9 disciplinary proceeding before the Commission based on the entry of the injunction in this
10 action, Defendant understands that he shall not be permitted to contest the factual allegations of
11 the complaint in this action.

12. Defendant understands and agrees to comply with the terms of 17 C.F.R.
13 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant
14 or respondent to consent to a judgment or order that imposes a sanction while denying the
15 allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is
16 equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies
17 the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e),
18 Defendant: (i) will not take any action or make or permit to be made any public statement
19 denying, directly or indirectly, any allegation in the complaint or creating the impression that the
20 complaint is without factual basis; (ii) will not make or permit to be made any public statement
21 to the effect that Defendant does not admit the allegations of the complaint, or that this Consent
22 contains no admission of the allegations, without also stating that Defendant does not deny the
23 allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in
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1 this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely
2 for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11
3 U.S.C. §523, that the allegations in the complaint are true, and further, that any debt for
4 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the
5 Final Judgment or any other judgment, order, consent order, decree or settlement agreement
6 entered in connection with this proceeding, is a debt for the violation by Defendant of the federal
7 securities laws or any regulation or order issued under such laws, as set forth in Section
8 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If Defendant breaches this
9 agreement, the Commission may petition the Court to vacate the Final Judgment and restore this
10 action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial
11 obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings
12 in which the Commission is not a party.

13. Defendant hereby waives any rights under the Equal Access to Justice Act, the
14 Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to
15 seek from the United States, or any agency, or any official of the United States acting in his or
16 her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,
17 expenses, or costs expended by Defendant to defend against this action. For these purposes,
18 Defendant agrees that Defendant is not the prevailing party in this action since the parties have
19 reached a good faith settlement.

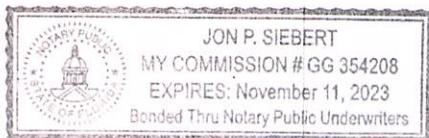
20. Defendant agrees that the Commission may present the Final Judgment to the
21 Court for signature and entry without further notice.

22. Defendant agrees that this Court shall retain jurisdiction over this matter for the
23 purpose of enforcing the terms of the Final Judgment.

1 Dated: 6/23/21

2 Jed M. Perlowin

3 On the 23rd day of June, 2021, Jed M. Perlowin, a person known to me, personally
4 appeared before me and acknowledged executing the foregoing Consent.



Notary Public

Commission expires: 11/11/2023

9 Approved as to form:

10 Brent R. Baker

11 Brent Baker

12 Jonathan Bletzacker

13 Parsons Behle & Latimer

14 201 S. Main Street, Suite 1800

15 Salt Lake City, UT 84111

(801) 532-1234

16 Attorneys for Defendant

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